



PUBLIC UTILITIES COMMISSION
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MICHEL PETER FLORIO
COMMISSIONER

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July 17, 2013

Les Starck
Sr. Vice President, Regulatory Affairs
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770

Re: Low Energy 2-D and 3-D SONGS Seismic Studies

Dear Mr. Starck:

With SCE having made the decision to shut down the San Onofre Nuclear Generating Station (SONGS) Units 2 and 3, I would like to make sure that Southern California Edison (SCE) does not suspend the low energy 2-D and 3-D seismic studies authorized by the CPUC in decision D.12-05-004. It is my understanding that some of these studies were well underway before the announcement of the shut down in June 2013, and SCE as well as the vendors have already incurred much of the cost related to these studies. Given that much of the costs are sunk costs already, SCE should continue to perform the low energy 2-D and 3-D off shore surveys and on-shore seismic monitoring in the vicinity of SONGS. The studies will provide important information for emergency preparedness, public health and safety, and public information.

Initially, SCE's seismic research projects were designed to be responsive to recommendations by the California Energy Commission (CEC), as stated in its AB-1632 report. SCE needed to develop an active seismic hazards research program for SONGS to assess whether there are sufficient design margins at SONGS to avoid major power disruptions. SCE also needed to complete certain seismic studies to determine the vulnerability of SONGS to an extended outage following a seismic event. There were also activities associated with Nuclear Regulatory Commission (NRC) initiatives requiring all licensees to re-evaluate the seismic hazard at their sites using available updated seismic hazard information and present-day regulatory guidance.

SCE developed a seismic program consisting of 11 projects. These include reviews of historical marine geophysical data, Global Positioning System (GPS) monitoring, and marine terrace and coastal deformation investigations, low energy 2-D and 3-D off-shore surveys, bathymetry data, seafloor sediment sampling, seismic monitoring using on-shore and off-shore ocean bottom seismometers (OBS), data acquisition and processing, and high energy off-shore surveys. The last project is now canceled because the California Coastal Commission denied a permit because of concerns of detrimental effects to the marine environment.

I understand that as a result of SCE's decision in June 2013 to retire SONGS Units 2 and 3, SCE needs to re-evaluate the scope of work for these remaining seismic projects. Based on information SCE has provided to the CPUC's Energy Division, SCE has incurred to date approximately \$6.6 million in cost for these projects. Vendors contracted to perform the studies have indicated to SCE that they have approximately \$4.5 million in sunk costs for the research projects and \$1.2 million for NRC-required work which is yet to be invoiced. SCE indicates that the incremental cost to complete the research projects is approximately \$9.7 million. The cost to complete the NRC-required work is expected to be below \$10.1 million.

While SCE re-evaluates its seismic study plans in light of the closure of the plant, my guidance to SCE is to not suspend the low energy 2-D and 3-D studies. Because of the continued storage of spent nuclear fuel in the wet spent fuel pool for several more years, and the continuation of spent fuel storage in dry casks in the Independent Spent Fuel Storage Installation (ISFSI) indefinitely for SONGS Units 1, 2, and 3, we believe it is important for public health and safety, public information, and emergency preparedness that these seismic studies continue to completion.

When completed, a more comprehensive assessment of seismic hazards for the off-shore and on-shore fault system will be available. The proposed surveys will further define recent seismic activity, slip rates, and seismogenic potential of the faults in the area surrounding SONGS in San Diego and Orange Counties. As SCE has indicated all the data collected and derivative products will be made available to the public.

As you know, the CPUC created an Independent Peer Review Group (IPRG) to provide guidance and review of the results of these enhanced seismic studies. It is very important to the IPRG and the CPUC that SCE remain on schedule and within budget to complete these seismic projects. The IPRG is assessing the need for these studies in light of SCE's plans for shutdown of the plant. We will subsequently provide guidance to SCE on the rest of the seismic projects based on the IPRG's recommendations.

Sincerely,

A handwritten signature in dark ink, appearing to read "M. Florio". The signature is fluid and cursive, with the first name "Michel" and last name "Florio" clearly distinguishable.

Michel Florio
Commissioner, CPUC

cc: Michael Peevey
Catherine Sandoval
Mark Ferron
Carla Peterman
Paul Clanon
Service List A.11-04-006